

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**NOTE 26 – CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS**

The following tables present condensed financial statements for the "major" discretely presented component units. Major component units are those which are relatively most significant as compared to

the other component units or that have an especially significant relationship to the primary government.

BALANCE SHEETS (in millions)

|  | Governmental<br>Component<br>Units | Michigan<br>Education<br>Trust | Michigan<br>Higher<br>Education<br>Student Loan<br>Authority | Michigan<br>State<br>Housing<br>Development<br>Authority | Michigan<br>Municipal<br>Bond<br>Authority |
|--|------------------------------------|--------------------------------|--|--|--|
| <b>ASSETS</b>  |                                    |                                |  |  |  |
| Current Assets:  |                                    |                                |  |  |  |
| Amounts due from component units                       | \$ .1                              | \$ -                           | \$ -   | \$ -   | \$ -                                       |
| Amounts due from primary government                    | .3                                 | .5                             | .2   | -  | .6   |
| Other current assets                                   | 119.2                              | 56.3                           | 219.3  | 498.9  | 1,131.6                                    |
| Noncurrent Assets:                                     |                                    |                                |  |  |  |
| Advances to primary government/<br>component units     | -                                  | -                              | -  | -  | -  |
| Mortgages and loans receivable                         | 1.2                                | -                              | 665.0  | 1,846.1  | -  |
| Investments  | 5.4                                | 729.7                          | 78.6   | 449.0  | 848.4                                      |
| Property, plant, and equipment                         | 7.3                                | -                              | -  | -  | -  |
| Other noncurrent assets                                | -                                  | 11.8                           | 10.7   | 4.8  | 1,759.7                                    |
| Total Assets   | <u>\$ 133.5</u>                    | <u>\$ 798.4</u>                | <u>\$ 973.8</u>  | <u>\$ 2,798.9</u>  | <u>\$ 3,740.3</u>                          |
| <b>LIABILITIES, FUND EQUITY, AND<br/>OTHER CREDITS</b> |                                    |                                |  |  |  |
| Current Liabilities:                                   |                                    |                                |  |  |  |
| Amounts due to component units                         | \$ 12.4                            | \$ -                           | \$ -   | \$ -   | \$ -                                       |
| Amounts due to primary government                      | .9                                 | -                              | -  | 1.8  | -  |
| Other current liabilities                              | 16.4                               | 49.5                           | 49.0   | 142.7  | 664.4                                      |
| Long-Term Liabilities:                                 |                                    |                                |  |  |  |
| Bonds and notes payable                                | -                                  | -                              | 796.9  | 1,916.0  | 1,971.7                                    |
| Other long-term liabilities                            | 32.6                               | 583.5                          | 30.9   | 357.7  | 84.9                                       |
| Total Liabilities                                      | <u>62.4</u>                        | <u>633.0</u>                   | <u>876.8</u>   | <u>2,418.3</u>   | <u>2,721.0</u>                             |
| Fund Equity and Other Credits:                         |                                    |                                |  |  |  |
| Investment in general fixed assets                     | 7.3                                | -                              | -  | -  | -  |
| Contributed capital                                    | -                                  | -                              | -  | -  | 909.7                                      |
| Retained earnings                                      | -                                  | 165.5                          | 97.0   | 380.6  | 109.5                                      |
| Fund balances  | 63.8                               | -                              | -  | -  | -  |
| Total Fund Equity and Other Credits                    | <u>71.1</u>                        | <u>165.5</u>                   | <u>97.0</u>  | <u>380.6</u>   | <u>1,019.2</u>                             |
| Total Liabilities, Fund Equity, and<br>Other Credits   | <u>\$ 133.5</u>                    | <u>\$ 798.4</u>                | <u>\$ 973.8</u>  | <u>\$ 2,798.9</u>  | <u>\$ 3,740.3</u>                          |

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

| Other<br>Proprietary<br>Component<br>Units | Central<br>Michigan<br>University | Grand<br>Valley<br>State<br>University | Western<br>Michigan<br>University | Other<br>Universities | Totals             |
|--|-----------------------------------|--|-----------------------------------|-----------------------|--------------------|
| \$ 8.3                                     | \$ -                              | \$ .1                                  | \$ -                              | \$ .2                 | \$ 8.7             |
| 1.1  | 15.9                              | 24.5                                   | 21.6                              | 80.3                  | 145.0              |
| 260.7                                      | 88.8                              | 46.0                                   | 145.8                             | 184.7                 | 2,751.3            |
| -  | -                                 | -                                      | -                                 | .4                    | .4                 |
| 16.4                                       | 7.9                               | 8.3                                    | 6.4                               | 45.9                  | 2,597.1            |
| 102.8                                      | 43.2                              | 65.3                                   | 9.9                               | 117.4                 | 2,449.9            |
| 17.0                                       | 211.9                             | 239.1                                  | 398.1                             | 1,137.3               | 2,010.7            |
| -  | -                                 | .5                                     | 5.1                               | 3.0                   | 1,795.7            |
| <u>\$ 406.4</u>                            | <u>\$ 367.6</u>                   | <u>\$ 383.7</u>                        | <u>\$ 586.9</u>                   | <u>\$ 1,569.3</u>     | <u>\$ 11,758.8</u> |
| \$ -                                       | \$ -                              | \$ -                                   | \$ -                              | \$ -                  | \$ 12.4            |
| .1   | .6                                | .1                                     | -                                 | 2.1                   | 5.6                |
| 26.8                                       | 27.8                              | 35.4                                   | 56.9                              | 142.6                 | 1,211.5            |
| 7.1  | 94.5                              | 46.9                                   | 196.5                             | 318.1                 | 5,347.8            |
| 18.0                                       | 3.0                               | 3.3                                    | 13.8                              | 32.0                  | 1,159.7            |
| <u>52.1</u>                                | <u>125.8</u>                      | <u>85.7</u>                            | <u>267.2</u>                      | <u>494.9</u>          | <u>7,737.0</u>     |
| -  | 114.2                             | 130.9                                  | 272.6                             | 825.4                 | 1,350.4            |
| 170.8                                      | -                                 | -                                      | -                                 | -                     | 1,080.5            |
| 183.5                                      | -                                 | -                                      | -                                 | -                     | 936.1              |
| -  | 127.5                             | 167.1                                  | 47.2                              | 249.0                 | 654.7              |
| <u>354.3</u>                               | <u>241.8</u>                      | <u>298.1</u>                           | <u>319.8</u>                      | <u>1,074.4</u>        | <u>4,021.7</u>     |
| <u>\$ 406.4</u>                            | <u>\$ 367.6</u>                   | <u>\$ 383.7</u>                        | <u>\$ 586.9</u>                   | <u>\$ 1,569.3</u>     | <u>\$ 11,758.8</u> |

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (in millions)

|   | Mackinac<br>Bridge<br>Authority | Michigan<br>Higher<br>Education<br>Facilities<br>Authority | Michigan<br>Strategic<br>Fund | Michigan<br>Higher<br>Education<br>Assistance<br>Authority | Total   |
|---|---------------------------------|--|-------------------------------|--|---------|
| <b>REVENUES</b>                                       |                                 |  |                               |  |         |
| From federal agencies                                 | \$ -                            | \$ -   | \$ 54.1                       | \$ -   | \$ 54.1 |
| From services   | -                               | .1   | -                             | 95.5   | 95.6    |
| From licenses and permits                             | 10.7                            | -  | -                             | -  | 10.7    |
| Miscellaneous   | 1.6                             | -  | 10.5                          | -  | 12.2    |
| Total Revenues  | 12.3                            | .1   | 64.7                          | 95.5   | 172.6   |
| <b>EXPENDITURES</b>                                   |                                 |  |                               |  |         |
| Current   | 14.4                            | .1   | 55.0                          | 93.3   | 162.8   |
| Total Expenditures                                    | 14.4                            | .1   | 55.0                          | 93.3   | 162.8   |
| Excess of Revenues over<br>(under) Expenditures       | (2.2)                           | -  | 9.6                           | 2.3  | 9.8     |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>             |                                 |  |                               |  |         |
| Operating transfers from primary<br>government        | -                               | -  | 165.3                         | -  | 165.3   |
| Operating transfers to<br>component units             | -                               | -  | (174.9)                       | -  | (174.9) |
| Operating transfers to primary<br>government          | (.3)                            | -  | -                             | -  | (.3)    |
| Total Other Financing Sources<br>(Uses)               | (.3)                            | -  | (9.6)                         | -  | (9.9)   |
| Excess (Deficiency) of<br>revenues and Expenditures   | (2.4)                           | -  | -                             | 2.3  | (.1)    |
| Fund Balance – Beginning<br>of fiscal year - restated | 26.9                            | .3   | .1                            | 36.6   | 63.9    |
| Equity Transfers                                      | -                               | -  | -                             | -  | -       |
| Fund Balances – End of fiscal year                    | \$ 24.5                         | \$ .3  | \$ .1                         | \$ 38.9  | \$ 63.8 |

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY (in millions)

|  | Michigan<br>Education<br>Trust | Michigan<br>Higher<br>Education<br>Student Loan<br>Authority | Michigan<br>State<br>Housing<br>Development<br>Authority | Michigan<br>Municipal<br>Bond<br>Authority | Other<br>Proprietary<br>Component<br>Units | Total           |
|--|--------------------------------|--|--|--|--|-----------------|
| <b>OPERATING REVENUES</b>                                      |                                |  |  |  |  |                 |
| Operating revenues   | \$ -                           | \$ -   | \$ -   | \$ -                                       | \$ 27.6                                    | \$ 27.6         |
| Interest income  | 47.0                           | 50.5   | 142.3  | 152.1                                      | 2.1  | 394.0           |
| Investment revenue (net)                                       | (6.8)                          | 11.0   | 30.0   | -  | 12.8                                       | 47.0            |
| Federal revenues   | -                              | 9.0  | 6.6  | -  | 4.0  | 19.6            |
| Other miscellaneous  | .1                             | -  | 11.0   | 4.5  | 4.5  | 20.1            |
| <b>Total Operating Revenues</b>                                | <b>40.3</b>                    | <b>70.5</b>  | <b>189.9</b>   | <b>156.6</b>                               | <b>50.9</b>                                | <b>508.2</b>    |
| <b>OPERATING EXPENSES</b>                                      |                                |  |  |  |  |                 |
| Depreciation and amortization expense                          | -                              | .9   | -  | 3.2  | .3   | 4.4             |
| Other operating expenses                                       | (23.8)                         | 60.3   | 152.4  | 131.8                                      | 73.6                                       | 394.2           |
| <b>Total Operating Expenses</b>                                | <b>(23.8)</b>                  | <b>61.1</b>  | <b>152.4</b>   | <b>135.0</b>                               | <b>73.9</b>                                | <b>398.6</b>    |
| <b>Operating Income (Loss)</b>                                 | <b>64.2</b>                    | <b>9.4</b>   | <b>37.5</b>  | <b>21.5</b>                                | <b>(23.0)</b>                              | <b>109.6</b>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                        |                                |  |  |  |  |                 |
| Federal grant revenue  | -                              | -  | 80.8   | -  | 4.1  | 84.9            |
| Other  | -                              | -  | (92.1)   | -  | (73.3)                                     | (165.4)         |
| <b>Total Nonoperating Revenues (Expenses)</b>                  | <b>-</b>                       | <b>-</b>   | <b>(11.3)</b>  | <b>-</b>                                   | <b>(69.2)</b>                              | <b>(80.5)</b>   |
| <b>OPERATING TRANSFERS</b>                                     |                                |  |  |  |  |                 |
| Operating transfers from component units                       | -                              | -  | -  | -  | 174.9                                      | 174.9           |
| Operating transfers from primary government                    | -                              | -  | -  | -  | 1.9  | 1.9             |
| Operating transfers to component units                         | -                              | -  | -  | -  | (.7)                                       | (.7)            |
| <b>Total Operating Transfers in (Out)</b>                      | <b>-</b>                       | <b>-</b>   | <b>-</b>   | <b>-</b>                                   | <b>176.2</b>                               | <b>176.2</b>    |
| <b>Net Income (Loss)</b>                                       | <b>64.2</b>                    | <b>9.4</b>   | <b>26.2</b>  | <b>21.5</b>                                | <b>84.0</b>                                | <b>205.3</b>    |
| <b>Total Fund Equity – Beginning of fiscal year - restated</b> | <b>101.3</b>                   | <b>87.7</b>  | <b>354.4</b>   | <b>87.9</b>                                | <b>99.5</b>                                | <b>730.8</b>    |
| <b>Total Fund Equity – End of fiscal year</b>                  | <b>\$ 165.4</b>                | <b>\$ 97.0</b>   | <b>\$ 380.6</b>  | <b>\$ 109.5</b>                            | <b>\$ 183.5</b>                            | <b>\$ 936.1</b> |

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

STATEMENTS OF CHANGES IN FUND BALANCE (in millions)

|  | Central<br>Michigan<br>University | Grand<br>Valley<br>State<br>University | Western<br>Michigan<br>University | Other<br>Universities | Total             |
|--|-----------------------------------|--|-----------------------------------|-----------------------|-------------------|
| Total revenues and other additions   | \$ 271.5                          | \$ 216.4                               | \$ 346.0                          | \$ 831.2              | \$ 1,665.1        |
| Total expenditures and other deductions                                      | 342.5                             | 242.3                                  | 467.1                             | 1,117.8               | 2,169.7           |
| Operating transfers from primary<br>government                               | <u>86.3</u>                       | <u>76.5</u>                            | <u>118.1</u>                      | <u>388.2</u>          | <u>669.1</u>      |
| Net increase (decrease) for the year   | 15.3                              | 50.6                                   | (3.0)                             | 101.6                 | 164.5             |
| Total Fund Equity and Other Credits -<br>Beginning of fiscal year – restated | <u>226.4</u>                      | <u>247.5</u>                           | <u>322.8</u>                      | <u>972.9</u>          | <u>1,769.5</u>    |
| Total Fund Equity and Other Credits -<br>End of fiscal year                  | <u>\$ 241.8</u>                   | <u>\$ 298.1</u>                        | <u>\$ 319.8</u>                   | <u>\$ 1,074.4</u>     | <u>\$ 1,934.0</u> |

STATEMENTS OF CURRENT FUNDS REVENUES, EXPENDITURES, TRANSFERS  
AND CHANGES IN FUND BALANCES (in millions)

|  | Central<br>Michigan<br>University | Grand<br>Valley<br>State<br>University | Western<br>Michigan<br>University | Other<br>Universities | Total           |
|--|-----------------------------------|--|-----------------------------------|-----------------------|-----------------|
| Revenues   | \$ 235.3                          | \$ 175.8                               | \$ 308.7                          | \$ 602.5              | \$ 1,322.3      |
| Expenditures   | 298.4                             | 211.3                                  | 405.9                             | 875.8                 | 1,791.4         |
| Mandatory transfers (in) out                                 | 7.4                               | 7.5                                    | 9.1                               | 24.5                  | 48.5            |
| Operating transfers from<br>primary government               | (80.5)                            | (54.7)                                 | (116.5)                           | (323.6)               | (575.3)         |
| Other transfers (in) out                                     | 11.7                              | 12.1                                   | 16.1                              | 25.3                  | 65.2            |
| Total Expenditures and Transfers                             | <u>237.1</u>                      | <u>176.3</u>                           | <u>314.5</u>                      | <u>601.9</u>          | <u>1,329.7</u>  |
| Revenues over Expenditures and<br>Transfers                  | (1.7)                             | (.5)                                   | (5.9)                             | .7                    | (7.4)           |
| Fund Balances – Beginning of fiscal year -<br>restated       | 28.9                              | 34.1                                   | 57.4                              | 93.6                  | 214.1           |
| Change in restricted revenue<br>held for future expenditures | .7                                | (13.1)                                 | 1.6                               | 2.6                   | (8.2)           |
| Fund Balances – End of fiscal year                           | <u>\$ 27.9</u>                    | <u>\$ 20.5</u>                         | <u>\$ 53.1</u>                    | <u>\$ 96.9</u>        | <u>\$ 198.4</u> |